



State of California
Employment Training Panel

Training Proposal for:
Synectic Solutions, Inc.

Agreement Type: Small Business

Agreement Number: ET09-0323

Panel Meeting of: **October 17, 2008**

ETP Regional Office: **North Hollywood**

Analyst: J. Romero

CONTRACTOR:

- Type of Industry: Services:
Priority Industry: ☒ Yes ☐ No
- Contractor's # of Full-Time Employees
 - California: 72
 - Worldwide: 86
 - Number to be trained: 38
- Turnover Rate: 29.8%
- Repeat Contractor: ☐ Yes ☒ No

CONTRACT:

- Training Project Profile: Priority/Retrainee
- ETP Funding Amount: \$63,232
- In Kind Contribution: \$67,432
- Average Cost per Trainee: \$1,664
- Post Retention Wage: \$21.11
- Health Benefits: N/A
- Occupations to be Trained: Administrative Staff, Technical Staff, Managerial Staff, Directorial Staff
- Training Menu:
 - ☒ Business skills ☐ Literacy skills
 - ☐ Commercial skills ☐ Management skills
 - ☒ Computer skills ☐ Manufacturing skills
 - ☒ Cont. Improvement ☐ Other:
- Range of Hours: 8 - 64 Weighted Average: 64
- Multiple Job Numbers: ☐ Yes ☒ No

- County(ies) Served: Ventura
- Union Representation: ☐ Yes ☒ No
- Subcontractor: Change Management Consulting of San Diego will provide Administration services for an amount not to exceed 13% of payment earned.
- Third Party Services: Change Management Consulting also assisted in the ETP application process at no cost.

INTRODUCTION

Synectic Solutions, Inc. (Synectic) was founded in 1997 by Lynn Dines, to provide logistics and engineering services to the government and commercial industry. Located in Oxnard, Synectic strives for continual growth and improvements in serving customers by increasing the knowledge and skills of its employees. Key to achieving these goals is the establishment of continued improvement that Synectic will formalize through obtaining ISO 9001 certification and building Management Skills among the company's managers and supervisors. ETP funding will help Synectic meet these goals by offsetting some of the cost of training and enabling the company to implement improvements and audit processes in the future.

Turnover Rate

Title 22, California Code of Regulations, Section 4417 states: "The Panel shall fund training for employment that is stable. The employer's turnover rate shall not exceed 20% percent annually for the company facility where training is being requested. The Panel may accept a higher turnover rate if the employer provides evidence that the proposed training will significantly decrease the turnover rate, or the employer has experienced a singular reduction in force or other occurrence which adversely affected the turnover rate in the last calendar year, or if industry data supports a higher turnover rate."

In 2007, Synectic's turn over rate was 29.8%. The high turnover is caused, to a large degree, by employees leaving Synectic to work directly for the Federal Government. As a government contractor, Synectic places its employees at government facilities. This often leads to an employee being offered a job with the client. The employees that leave are often ex-military, enabling them to enter Federal employment with prior years of service. The company representative also states that as a small business it cannot compete with the benefit package the Federal Government is able to offer.

When the turnover is adjusted to account for those transitioning from Synectic employees to government service, the turnover rate is reduced to 19%.

Training will ultimately enable the company to achieve its goal of lowering its turnover rate and provide more opportunities for employees.

Contractor will earn the final 25% of the cost per trainee only if it achieves an average turnover rate of 25% or less for the last 12 months of the Agreement.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal, including the company's turnover rate waiver request.